GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:278
ANSWERED ON:01.03.2002
DRAWBACKS IN INDUSTRIAL POLICY FOR NE-REGION
MONI KUMAR SUBBA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Federation of Industries and Commerce of the North Eastern Region (FINER) has in a memorandum recently, called upon the Union Government to rectify the drawbacks in the specific industrial policy for the North Eastern Region;

(b) if so, the drawbacks pointed out in the policy; and

(c) the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) Yes, Sir.

(b) Removal of locational restriction, Freight subsidy against transportation of iron and steel materials under Transport Subsidy Scheme, 100% income-tax exemption for removal of MAT (Minimum Alternative Tax).

(c) Ministry of Finance have not agreed to the proposal for removal of locational restriction. The issues of admissibility of Transport Subsidy against transportation of iron and steel materials to the units in Assam are under examination of this Department. All the states of the North

Eastern Region are listed in VIIIth Schedule of Income Tax Act, 1961.Under Section 10-C, industries in identified locations like Growth Centres and IIDCs in the NE Region are exempted from income tax for a period of 10 yearsUnder Section 80-IB, notified industries in North Eastern Region have been given ten years tax holiday besides the benefit already available in the VIIIth Schedule. MAT is intended to ensure that companies which avail a multiple benefits under the Income-tax Act, 1961 also pay a minimum of tax.